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E.O. 12958: N/A
TAGS: [PARM](#) [PREL](#) [CWC](#)
SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): STATUS OF U.S.
2007 PRIORITIES AND NEW PRIORITIES FOR 2008.

REF: A. REF: A) 07 STATE 9682 B) 07 THE HAGUE 104 C) 07

[1](#)B. THE HAGUE 2034

This is CWC-02-08

SUMMARY

[1](#)1. (U) At the end of the tenth anniversary year of the Chemical Weapons Convention (CWC), most U.S. priorities at the OPCW for 2007 were advanced if not fully achieved. An Executive Council (EC) chairman very supportive of the U.S. was elected in May. Article VII implementation moved forward, although not reaching the "20-in-10" milestone. The Director General's zero nominal growth (ZNG) budget for 2008 was approved on schedule by EC-50 in September. Although some ground was lost when the Director General (DG) acknowledged the Russian Federation's destruction of 20 percent of its stockpile based on first stage destruction only, the Del has worked to educate WEOG and other colleagues on the issues of principle behind the "end point of destruction" debate.

[1](#)2. (U) As preparations for the Second Review Conference (RevCon) continued, the U.S. submitted a number of national papers to inform the initial round of discussions, broadly organized along the lines of the report from the First RevCon. The Technical Secretariat (TS) is quietly continuing to work on its

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ability to investigate allegations of CW use. The EC took a decision concerning "timely submission of declarations" (EC-51) and approved the first U.S. industrial facility agreement (EC-50), both U.S. priorities for 2007. And in October, the U.S. successfully hosted the first EC visit to a destruction facility, setting the standard for future visits, including the next such visit to Russia.

[1](#)3. (U) Politically, 2007 also saw a sharp increase in the activities of the Non-Aligned Movement (NAM) within the OPCW. The NAM has become increasingly active in consultations and negotiations, and has shown a tendency to be more proactive and coordinated than most, if not all, of the regional groups, although it is clear that NAM "positions" and papers tend to be representative of the views of only a small clique of the most radical NAM members (including Iran, India, Cuba). The Iranian delegation continues to be in a class of its own,

stymieing progress across the board, with such unreasonable demands as to isolate it even among fellow NAM delegations. An Iranian proposal to establish a network for the victims of chemical weapons, proposed last-minute at the end of 2007 and poorly handled from a process standpoint, threatens to bog down the ongoing Article X facilitation. The expected Iraqi accession to the CWC in 2008 will further provide ample opportunity for Iranian political grandstanding.

14. (U) In general, the Del sees the upcoming year as one in which the Second RevCon will dominate activities during the first six months. Prior thereto, it will be difficult to pursue issues outside of the RevCon context. Following the RevCon, an assessment of possibilities for the remaining months will be more feasible. However, there are several issues that can and should be pursued throughout the year. The paragraphs below cover these issues, in addition to the Del's assessment of progress on and recommendations for future actions related to priorities and "other important issues" from 2007. This cable follows the priorities cable from 2007 (Ref A), the Del's 2007 mid-term report (Ref B), and the Del's assessment and recommendations for the RevCon (Ref C).

REVIEW OF 2007 PRIORITIES

EC CHAIR

15. (U) Iranian interest in becoming the EC Chair was firmly but quietly deflected. Philippine Ambassador Romeo Arguelles, who has worked well and closely with the U.S. Delegation, was the Asian Group candidate elected EC Chairman in May (Ref B).

16. (SBU) When it became clear late in 2007 that the Chair of the Second RevCon would be chosen from the Asian Group, further efforts were successful in identifying agreeable candidates before Iran had a chance to pursue any possible interest in the position. In mid-January 2008, the Asian Group officially announced that it would nominate the Saudi Ambassador.

ARTICLE VII

17. (U) Although progress was made in 2007, it was limited and fell significantly short of the "20-in-10" goals. Many States Parties have questioned the continuing emphasis on Article VII as outreach efforts slowed significantly due to funding constraints. However, a positive note was achieved in the successful cooperation between Japan and Australia this year on major outreach efforts that worked toward "20-in-10" goals in the Philippines, Indonesia, and Malaysia.

18. (U) During 2007, the Del also witnessed significant attacks by Iran and others on Article VII as an ongoing priority. In many ways, this was a transparent effort on their part to set up a trade-off scenario to get what they wanted on Articles X and XI. That balance certainly played out during the CSP, when decisions on all three issues were negotiated as a package by Iran.

19. (U) Looking ahead: We expect that Japan and Australia will continue to partner in their outreach within Asia, and other States Parties will be focused on training (e.g., France and the UK). The CSP decision regarding Article VII should allow the European Union and its member states to continue to provide voluntary contributions to keep alive outreach efforts by the TS. Iran and other non-aligned states will use the RevCon as their opportunity to argue that sufficient progress has been made on Article VII and push instead for an Action Plan for Article XI, much as was done with Article VII at the First RevCon. The Del proposes continued emphasis of Article VII at the RevCon and

behind-the-scenes efforts with the TS and other States Parties, which may ultimately be more effective than public statements in the policy-making organs.

2008 BUDGET

¶10. (U) The DG's budget proposal for 2008 provided a third consecutive year of zero nominal growth (ZNG). It also increased inspector training and equipment upgrading. Intense opposition from China and several NAM countries halted efforts for adding increased OPCW inspections to the budget, with inspection numbers being maintained at the 2007 level. To the

credit of intensive work by co-facilitators Diana Gosens (Netherlands) and Donggy Lee (South Korea), consensus on the budget was achieved in September during EC-50, only the second time in the OPCW's history that the EC completed its deliberations on the budget before the annual CSP. The CSP, in turn, approved the budget without any discussion in November.

¶11. (U) Looking ahead: Pressure to increase the budget is growing, both from NAM countries wanting to expand OPCW assistance programs and from WEOG countries wanting to increase inspections. The Del urges early identification of U.S. budget priorities so that we can proactively work with the TS to get them into the DG's proposed budget before the political fighting over specific line items begins after the budget's initial release. The 2009 budget consultations will most likely focus on the balance between destruction and assistance; the U.S. and like-minded States Parties will have to work hard to insure the budget is not held hostage by delegations fixated on greatly increasing funding for assistance programs.

¶12. (U) During the budget negotiations in September, OPCW staff and several delegations noted the growing difficulty of continuing ZNG budgets, particularly as they actually represent reductions year-on-year in real terms, having no allowance for inflation. Some WEOG delegations (notably the Swiss) raised the possibility of moving from ZNG to Zero Real Growth (ZRG) to at least allow for the budget to keep pace with inflation. While the Del will continue to work with the TS and other delegations to guarantee leaner, improved programming, the Del believes that any priority increases in inspections or other areas will require a carefully controlled and monitored shift away from ZNG budgets.

RUSSIAN 20 PERCENT DESTRUCTION DEADLINE

¶13. (U) 2007 saw several important milestones for the Russian CW destruction program. First, Russian claims to having reached 20 percent, based on completing the first stage of destruction (neutralization) of VX nerve agent in large caliber munitions at the Maradykovsky destruction facility, were upheld by the TS. Although the DG's statement announcing this accomplishment was heavily caveated to indicate the necessity of completing the second stage (incineration of the reaction mass), concurrence in OPCW documents and presentations with the Russian destruction figures have removed much if not all political impetus for Russia to firmly commit to second stage destruction as an Article IV requirement.

¶14. (U) Second, after painstaking negotiations with Russia, the TS agreed in the draft facility agreement and verification plan for Maradykovsky to grant credit for destruction after the first stage in return for Russian acceptance of verification of the second stage. U.S. and Allied concerns have hardly been assuaged by continued delays in putting the second stage incinerator into operation; the reaction mass for all agent Russia claims to have destroyed there is currently in storage in a number of holding tanks, awaiting further processing. Perhaps of greater concern have been the provisions in the

documents for what many deem to be inadequate steps taken for mutilation of the munitions, again an "interim" solution to gain quick credit until the metal parts furnace is operational.

¶15. (SBU) The vast majority of delegations are simply not knowledgeable or engaged enough to understand or care about the issue. Many, including those who have taken the time to educate themselves, view it as yet another U.S.-Russia bilateral dispute; several delegations have acknowledged that verification of the second stage addresses their primary concerns. Even the Allies, having pressured the U.S. to adopt a hard line definition of destruction years ago, seem equivocal as to the real risk posed by developments at Maradykovsky.

¶16. (SBU) The Allies do agree that the DG's actions have made it considerably more difficult to hold Russia to a strict definition of what constitutes the "end point of destruction," and that close work with the TS will be appropriate to ensure that a similar opportunity is not lost as Russia approaches its 45 percent deadline. The difference with Russia is in fact a fundamental one, and all attempts to elicit a commitment from Russia to second stage destruction as an Article IV requirement have been unsuccessful. The U.S. has continued to block approval of the Maradykovsky documents, in return for which Russia has held up most U.S. documents, only joining consensus on the unrelated Pine Bluff Chemical Agent Disposal Facility modifications at the last EC session as a gesture of "extreme flexibility."

¶17. (SBU) Looking ahead: While the historical question of defining the end point of destruction is unlikely to receive a clear-cut political or technical answer, continued reciprocal deferral of Russian and U.S. documents for two-stage destruction processes has become counterproductive. Whereas destruction at all facilities continues in accordance with draft agreements, lack of formal approval could be seen as undermining the value of the EC's oversight role in approving facility related documents.

¶18. (SBU) While Russia is certain to balk at any stark interpretation of the treaty's provisions on destruction, some flexibility may be found in welcoming Russia's verbal commitment on several occasions to verification of, and financial responsibility for, both stages of the destruction process at any future destruction facilities. The Del recommends considering revised draft decision language for the Maradykovsky facility agreement and verification plan that incorporates these elements, focusing on the real interest of ensuring that the second stage will remain under verification at all Russian facilities as opposed to the fundamental difference in interpretation of the treaty's provisions on destruction. There is also broad support for the DG's statement on the matter to EC-49, welcomed most recently by the EU in its EC-51 statement. Highlighting the clear difference in Russian and TS interpretations of the Maradykovsky verification plan may also be useful.

¶19. (SBU) Recent discussions with TS officials have also indicated a Russian desire to backslide in the area of mutilation of metal bodies following draining of the munitions at its Leonidovka destruction facility (still under construction). Russian officials have apparently demanded credit for destruction even before the munition bodies have been thermally treated, and seem to view mutilation in the same category as destruction of the reaction mass: a transparency measure, as opposed to a treaty requirement. Although the Del currently senses no TS inclination to compromise on this point, the Del will continue to follow the issue closely and report on any developments.

¶20. (SBU) According to the terms of the CSP-11 decision on EC visits to destruction facilities,

Russia is also obligated to accept a visit to one or more of its facilities in 2008. The Russians have been reticent on the subject, but the heavy schedule

through the RevCon in April may well result in a visit scheduled for the second half of the year. There seems to have been a tacit agreement between France and Germany that, as France represented the WEOG on the visit to the Anniston destruction facility in October 2007, Germany will represent the WEOG on the first visit to Russia. However, the U.S. will have a separate place on the delegation, which will require some thought as to what expertise might best be placed on a delegation that is likely to otherwise consist of diplomats from The Hague.

PREPARATIONS FOR THE SECOND REVIEW CONFERENCE

¶21. (U) The Chair of the open-ended working group (OEWG) for the Second RevCon (UK Ambassador Lyn Parker) pursued a measured pace of work through 2007 with a series of broadly themed meetings and solicitation of national statements and comments. Meetings were characterized more by general statements than lively debate. In late November, the DG issued a 105-page "Note" reviewing the CWC since the First RevCon. That document, along with the draft report language that the UK delegation (in its capacity as OEWG chair) and the TS will be passing, seriatim, to delegations are forming the basis for continuing discussions in preparation for the RevCon.

¶22. (U) Looking ahead: Although new initiatives have not yet been proposed, the Del expects battles over national implementation, economic and technological development, and disarmament versus non-proliferation to develop along traditional North-South fault lines. Cuba, as NAM coordinator, has produced a group statement with strong language on 1) destruction as the major focus of the RevCon; 2) a declaration that the OPCW has no mandate for non-proliferation in the convention; and 3) views on issues such as OCPF site selection methodology, inspection frequency and challenge inspections. The Del will need to work with like-minded delegations to counter all of these points and/or to offer constructive solutions.

¶23. (SBU) The NAM statement is inflammatory but not surprising. It does, however, highlight a trend of early hardening and shoring up of coordinated NAM positions, leaving it to the U.S. and more like-minded delegations to pull the eventual outcome back to the center. The UK has already made clear that it will in large part have to sacrifice its traditional leadership role in OPCW negotiations for the sake of maintaining neutrality as OEWG Chair. It will be critical for WEOG and other like-minded delegations to be just as proactive as the NAM in coordinating and advocating positions. The Del believes the U.S. may be most effective working actively behind the scenes (e.g., through other delegations) to avoid the natural suspicion that greets any U.S. initiative. However, a more public role for the U.S. may be necessary, depending greatly upon the issue at hand and the willingness of colleagues to draw clear lines on issues of mutual importance.

¶24. (U) In March 2007, the RevCon OEWG circulated a list of "open issues," which range in level of activity from dormant (some dating from the Preparatory Commission) to active (with facilitators holding periodic consultations). The Del understands that the Bureau can and has updated this list already, removing a number of the issues that are no longer under "active consideration" by the policy-making organs. The Del recommends that in addition to painstaking negotiation of the report and

political declaration, the RevCon be used where possible to actually take stock of issues, both on individual merit and as components of the various "clusters" of issues (e.g. Industry) in order to assess progress and chart a course for further work, if necessary.

¶25. (U) More detailed Del recommendations for the RevCon can be found in Ref C.

ALLEGED USE OF CW

126. (U) The TS continues to improve its readiness to conduct an investigation of alleged use, and provided several updates on its capabilities in conjunction with Article X consultations and the recent Industry and Protection Forum in November 2007. In 2007, the TS focused on reviving the concept of a list of

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qualified experts, to be called upon, based on their specific areas of expertise, in the case of an investigation of alleged use. The TS received 85 nominations from States Parties, and by end of year was planning to narrow this list down to a group of twenty "core experts." Some thought has also gone into developing the OPCW's capability to analyze biomedical samples, and the ninth session of the Scientific Advisory Board (SAB) recommended holding a confidence-building exercise as a first step.

127. (U) Looking ahead: The TS noted last year that it plans to begin training the group of core experts in January 2008. The confidence-building exercise for analysis of biomedical samples is also tentatively being planned for some time in 2008, and the TS is also assessing techniques to analyze biomedical samples with the equipment in the labs that are currently designated. The DG's background paper for the Second RevCon makes clear that improvements in this particular area, and in others that could increase the TS's readiness to conduct an investigation of alleged use (e.g., procurement of lighter, more portable equipment), depend greatly on the availability of financial resources in the future. The Del will continue to work quietly to assess TS progress.

OCPF SITE SELECTION

128. (U) The DG's well-intentioned issuance of a TS note in the first half of 2007 modifying certain technical aspects of the OCPF site selection methodology could have been handled more smoothly. While it provides an improvement over the existing system, the way in which it was announced generated questions from delegations, a substantial amount of ill-will, and the resignation of the facilitator. NAM delegations continue to call for resumption of consultations, but it seems unlikely that someone will step forward to serve as facilitator.

129. (U) Looking ahead: Given that the TS's modified approach went into effect at the beginning of 2008, the Del does not recommend renewed consultations at this point. However, if this becomes necessary because of the insistence of the NAM and others, the Del proposes that any new consultations on this topic be limited to a discussion of VA Part IX para 11(c) (proposals by States Parties), while affording the new TS methodology at least a one-year "breaking-in" period. Any immediate return to the full discussion of selection methodologies seems a recipe for further disaster.

130. (U) At the request of delegations during earlier consultations, the TS is currently drafting a paper

regarding "improvements" to OCPF declaration requirements, which is expected to go to the DG for review and sign-off by the end of January. The paper includes two sets of recommendations: (1) a proposal on how product group codes (PGC) could be modified, based on existing categories in use elsewhere, to better describe the declared industries, a major goal of which is to better identify those smaller industries whose activities are of lesser relevance to the object and purpose of the CWC (and thus give those sites less consideration for inspection); and (2) a proposal on new data elements that could be added to the declaration regime that would give additional technical characteristics, the goal again being to improve the ability to better select the most relevant sites for inspection.

131. (U) The TS acknowledges that the first proposal is not likely to be very controversial and could possibly be implemented through a simple Note from the DG. Assuming the first part of the TS paper is

acceptable technically, the Del recommends reviewing it closely in light of U.S. ability to implement it within the industry declaration regime already in place. If possible, the U.S. could speak up in support of this action by the DG as a possible way to cut-off NAM arguments opposing additional OCPF inspections. However, the second proposal will be much more difficult for the U.S. and many other States Parties to fully endorse, as it presents significant legislative and implementation hurdles and increases the declaration burden for these sites. The proposal could lie fallow until such time as delegations see a compelling need to consider its implementation.

NIL DECLARATIONS

132. (U) Efforts early in the year to achieve a decision implementing "nil declarations" were unsuccessful. However, under U.S. facilitator Larry Denyer, an alternative decision was reached by EC-51 (EC-51/DEC.1, dated 27 November 2007). This "stand alone" decision went into affect immediately and works toward leveling the industrial playing field by: (1) closing the loop on those States Parties which have yet to put in place measures to enable timely declarations; (2) requiring States Parties who have declarable industry, but have yet to submit annual declarations, to do so on time; and (3) requiring States Parties who anticipate late submission of their declarations to notify the TS in advance to allow possible resolution of problems.

133. (U) Looking ahead: The EC-51 decision requires the EC to keep focusing on this issue (and progress made under this decision) and allows further measures to be undertaken if deemed necessary. This would allow further measures to be considered if the current decision does not sufficiently address the issue of late declarations.

OTHER IMPORTANT ISSUES

OUTREACH ON U.S. CW DESTRUCTION

134. (U) With the approval in 2006 of the U.S. request to extend its final destruction deadline to April 29, 2012, the year 2007 saw a more resigned attitude in The Hague to projected delays in the U.S. destruction program well beyond 2012. The timing of information released in January 2007 as part of the Nunn-McCurdy E

submission to Congress was unfortunate in its references to completing destruction as late as 2023, and the general reaction locally has been one of genuine disbelief that a country as wealthy and powerful as the U.S. might miss the final deadline by eleven years largely due to less than 10 percent of its stockpile.

135. (SBU) While the commotion over U.S. destruction delays has died down somewhat, Iran has certainly not missed any opportunity throughout the year to highlight a potential U.S. violation of the CWC. The Iranian delegation held up several seemingly non-controversial, factual documents and played its usual procedural games, refusing to note various documents on the basis of a U.S. extension request and destruction program so clearly "inconsistent with the treaty." The extension of Albania's CW destruction program beyond its own requested deadline became a proxy fight between Iran and much of the EC (with Russia showing an unfortunate tendency to side with Iran through its own legalistic view of the Albanian delays), designed to set a punitive precedent for the U.S. in 2012.

136. (U) Despite continued expressions of concern from Iran and other NAM delegations at the slow pace of destruction in the two major possessor states, the U.S. decision to volunteer to host the first EC visit was greeted with enthusiasm, and the feedback from

all members of the visiting delegation was extremely positive. The U.S. policy of transparency, rather unpopular in 2006, has proved most effective in 2007. It continues to set a positive precedent for Russia and others, for which many colleagues have expressed appreciation. U.S. destruction of 45 percent of its stockpile six months ahead of the December 2007 deadline was another clear demonstration to States Parties of the continued U.S. commitment to treaty goals and obligations.

¶37. (U) Looking ahead: The Del recommends careful management of statements and other messages, especially in the run-up to and during the RevCon, to avoid the perception that the U.S. has moved on to other priorities after the granting of its extension request in 2006. The Del will also track carefully and counter any attempts by the NAM to use the RevCon to explore in any detail possibilities to deal with "U.S. non-compliance" in 2012. Based on statements at recent RevCon OEWG sessions, the Del anticipates strong support from others in insisting upon a balanced approach to all Articles of the Convention.

STATUS OF CW DESTRUCTION IN OTHER POSSESSOR STATES

¶38. (U) As referenced above, in 2007, Albania found itself in the unfortunate position of not only being unable to meet its final destruction deadline, but also having passed the final date (April 29, 2006) by which it could have requested a further extension. Its situation was complicated by the proxy battle, noted above, to set a punitive precedent for the U.S. in 2012. Negotiations to take appropriate measures were further characterized by a self-serving Russian desire to ascribe blame to States Parties assisting Albania. An extraordinary extension request was deemed by the TS Legal Advisor to be outside the bounds of the Convention. In the end, the EC simply called upon Albania to take measures to redress the situation as soon as possible, which Albania did in July 2007 when it became the first State Party to destroy its chemical weapons stockpile.

¶39. (U) After a request in 2005 for U.S. assistance in destroying its CW stockpile, Libya decided in 2007

to terminate its agreement with the U.S., citing disagreements on the indemnification clause and other legal aspects of the contract with a U.S. company. In July 2007, Dr. Hesnawy of the Libyan CWC National Committee appeared in The Hague to submit the detailed facility information for a new CW destruction facility designed by an Italian engineering firm. Hesnawy also indicated that Libya would be unable to meet the deadline for conversion of its former CW production facility at Rabta, the date of which was established by the technical change that enabled Libya to submit a request for conversion beyond the deadlines originally envisioned by the CWC.

¶40. (U) In later meetings, the Libyans were vague as to the real reasons for the delays in conversion. Presentations by Libya in the latter half of 2007 tended more toward propaganda promoting the pharmaceutical plant into which the facility is being converted than actual details on the progress of conversion. Libya has also indicated a desire to retain a sandbag wall formally scheduled for destruction as one of the distinctive features of the former production facility.

¶41. (U) Looking ahead: In July 2008, Libya's conversion deadline will expire. Based on the general lack of concern accompanying delays in Russian and Indian CW production facility destruction/conversion, the response to the expiration of this particular deadline will probably not be remarkable. The Del expects Libya to present a final version of a draft "correction" to the conversion plan for EC approval some time in the next several months, although Libya and the TS have indicated a desire to have U.S. approval prior to distributing the request. EC sessions may continue to provide a valuable opportunity for bilateral interaction with the Libyans, and to track

developments in Libyan CW destruction and production facility conversion progress.

CHALLENGE INSPECTIONS

¶42. (U) The TS continues to make steady progress on improving its readiness to conduct a challenge inspection, conducting at least one internal exercise each year as well as accepting invitations to participate in exercises hosted by other States Parties. The spring 2007 internal exercise involved not only planning and preparation by headquarters elements, but assembling and palletizing the equipment itself in the Rijswijk facility. TS staff were generally pleased with the results, which they believe indicated an ability to deploy both equipment and personnel rapidly in response to a request for a challenge inspection.

¶43. (U) In September, the Dutch-hosted event at an industrial facility in Delft provided a unique opportunity for members of all regional groups to observe the conduct of a mock challenge inspection. As exercises in the past have been conducted almost solely in WEEOG countries, this was an excellent opportunity to "demystify" the concept of a challenge inspection, and delegations from across the regional groups expressed their appreciation and participated actively in the exercise debrief. Unfortunately, many of the usual opponents of challenge inspections also took the opportunity to reiterate their national positions and generally question the validity of this particular tool in the verification regime. The Dutch initiative to conduct an exercise of the EC's role in this inspection scenario was met with such strong political opposition that it was eventually dropped.

¶44. (U) Looking ahead: The outlook for 2008 seems to be much the same. No real effort is being made to replace the previous facilitator for challenge inspection consultations. Most delegations agree this is for the best, and ad hoc meetings convened to discuss the results of exercises and seminars are far more useful than rehashing differences over the role of challenge inspections in the verification regime and the importance of resolving the "unresolved issues."

OPCW TENTH ANNIVERSARY

¶45. (U) A variety of activities commemorated the tenth anniversary year of the CWC's entry into force, including a high-level event in September at the United Nations with over forty foreign ministers attending, and the "Symposium on Effective Multilateralism as Exemplified by the OPCW" in October at Columbia Law School in New York, organized by Amb. Javits. The OPCW produced copies of the DVD of that symposium for broad distribution among delegations and soon will have a television public service announcement about the CWC available for broadcast.

¶46. (U) Looking ahead: Several delegations, but particularly the Dutch, have urged the continuation of the other fora that were held in The Hague in conjunction with the tenth anniversary of the CWC, as important avenues for networking and sharing information. Iran has emphasized repeatedly that these were one-time events, not to be continued. While we would not want to create new mandates for the OPCW, similar events would provide a convenient venue for experts from academia, non-governmental organizations, and industry to meet occasionally on specific issues.

INSPECTOR TRAINING

¶47. (U) Although the U.S. has made a formal offer of on-site inspector training at a U.S. industrial plant site, the TS has not found itself in a position to make use of that to date. However, with increased

funding in the 2008 budget for inspector training, the Del will encourage the TS to find a way to take advantage of the U.S. offer of assistance.

OTHER INDUSTRY ISSUES

¶48. (U) Sampling and Analysis at Schedule 2 facilities: The U.S. experienced the first utilization of sampling and analysis activities during a routine Schedule 2 inspection in November. The TS experienced a number of logistical and technical glitches that were overcome with U.S. assistance. However, a number of policy issues surfaced unexpectedly during the inspection, despite previous meetings TS staff and assumed agreements. In discussions with other delegations, the Del learned that similar technical, logistical, and policy issues surfaced during their sampling and analysis inspections.

¶49. (U) The U.S. intends to pursue two parallel sets of discussions to address both logistical and policy lessons learned from this inspection. The Del expects that the practical application of sampling and analysis activities during routine inspections

will also be discussed as part of the RevCon and beyond. The 2008 OPCW budget provides for the possibility of continued use of sampling and analysis during routine Schedule 2 inspections in 2008, however without some of the constraints of the "trial period" (e.g., only one sampling and analysis inspection per State Party).

¶50. (U) Finalizing the U.S. Industry Schedule 2 Facility Agreement: At EC-50 in September, the first U.S. industry facility agreement was approved. This capped several years of broad negotiations with the TS and was finalized because of the strong desire of

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the specific Schedule 2 plant site to have such an agreement in place. With an agreed format in place, the Del will continue to work with the TS to have an approved agreement in place for the one U.S. industrial Schedule 1 facility in 2008.

ADMINISTRATIVE AND FINANCIAL ISSUES

¶51. (U) Employment of U.S. citizens and OPCW recruiting: During budget consultations, the TS reported on its efforts to speed up the recruitment process, an important step that we have advocated in order to attract and retain the interest of highly-qualified candidates. The Del has also encouraged improved communication between OPCW Human Resources and potential candidates to avoid the unfortunate outcome of candidates accepting positions elsewhere, under the assumption that the OPCW was not interested in their applications. Over the past year, the U.S. has also improved its ability to elicit qualified candidates for OPCW TS positions. A notable outcome of our engagement during 2007 was the selection of a U.S. citizen as the new head of Media and Public Relations. While the position previously had been held by another U.S. citizen, there was strong competition, particularly with intensive lobbying by the German delegation on behalf of three German candidates.

¶52. (U) Impact of tenure policy: The increasing rate of turnover of TS staff continued, in large part due to the tenure policy. The Inspection and Verification divisions appear to be most impacted by tenure as their most experienced staff are forced to leave without suitable replacements available to fill the void. While much of the effect of these departures is anecdotal, quantifiable data shows that the OPCW is spending increasing amounts of money on separation and recruiting costs. This issue will continue to impact budget and management considerations during 2008.

¶53. (U) Implementing Results-Based Budgeting: While the TS continues to slowly implement RBB standards,

more work is needed to fully achieve it, as the Advisory Body on Administrative and Financial Matters (ABAF) noted in its assessment of the 2008 budget and program of work. The Del will continue to push for greater implementation of RBB in the 2009 budget and program of work, and would appreciate guidance on key U.S. priorities in this area.

OPCW OFFICE IN AFRICA

¶54. (SBU) The DG's proposal at EC-50 packaged current programs for African states and shifted the dialogue away from discussion of a bricks and mortar office. While the EC decision called for renewed consultations focusing on the Program for Africa, there seems to be little interest among African countries, or others, to take on the role of

facilitator. In the meantime, this issue is moving slowly, with no new proposals for funding -- just as we would like it.

DELEGATION RECOMMENDATIONS FOR 2008

¶55. (U) The Del expects much of the second half of 2008 to take shape based on the outcome of the RevCon, particularly if any new action plans or initiatives are adopted. However, in addition to steps forward, captured under "looking ahead" for specific issues covered in the preceding paragraphs, there are two broad categories of issues that could be addressed in parallel and throughout the year: the functioning of the organization and oversight of TS activities.

¶56. (U) The past several years have seen a decline in real oversight of intersessional activities, and the combination of this change with the tendency of several key delegations to hold up progress at every opportunity has meant a sharp decrease in the productivity of consultations and a situation in which behind-the-scenes work with the TS is almost always more effective than allowing an issue to become bogged down in consultations. With the RevCon report making some reference to the oversight role of the EC Chair and Vice-Chairs, the Del believes this could be a good year to re-energize the Bureau and encourage a more active process of ambassadorial shepherding of key issues from one EC session to the next.

¶57. (U) In line with another U.S. objective for the RevCon, the Del recommends work throughout the year on making better use not only of the SAB's recommendations, but also of the SAB itself by working through the DG to provide guidance and focus for the SAB's work. The Del believes that institutionalizing a more effective system for requesting, considering and acting on SAB recommendations should be another goal for 2008.

¶58. (U) The Del also believes that, particularly in light of recent battles over OPCW budget allocations and the "full implementation" of Article XI, the work of the International Cooperation and Assistance (ICA) Division could benefit greatly from closer oversight by States Parties. A constructive initial step in this respect is a Dutch initiative to better coordinate donor activities (focusing on those States Parties making some sort of voluntary contribution to the OPCW, particularly to ICA). The Del looks forward to improved engagement with the ICA Division as a possible result of this coordination.

¶59. (U) Javits sends.
Schofer